

Message Text

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21

ORIGIN COME-00

INFO OCT-01 EUR-12 EA-06 ISO-00 FEA-01 ERDA-05 AID-05

CEA-01 CIAE-00 CIEP-01 DODE-00 EB-07 FPC-01 H-02

INR-07 INT-05 L-02 NSAE-00 NSC-05 OMB-01 PM-03

USIA-06 SAM-01 OES-03 SP-02 SS-15 STR-04 TRSE-00

FRB-03 XMB-02 PA-01 PRS-01 /103 R

DRAFTED BY COMMERCE/BEWT/TDAD/PHOROSCHAK/EB/OR

APPROVED BY EB:TOENDERS

COMMERCE/BEWT/TDAD/RFSTECHSCHULTE

EUR/JAARMITAGE

COMMERCE/BEWT/USSR/HHEISS

C:SHINN

UNDERSECRETARY:JBENNETT(TREASURY)

EA/JDSMITH

EUR/SOV/MKOVNER/JLCOLBERT

S/S-O - P. JOHNSON

----- 060293

R 080110Z MAY 75

FM SECSTATE WASHDC

TO AMEMBASSY MOSCOW

AMEMBASSY TOKYO

C O N F I D E N T I A L STATE 107162

E.O. 11652:GDS

TAGS: ETRD, ENRG, EEWT, UR, JA

SUBJECT:FINANCING FOR YAKUTSK LNG PROJECT

REF: TOKYO 5469, STATE 90555, MOSCOW 4705, MOSCOW 4556

1. SENIOR OFFICIALS AT BANK OF AMERICA (B OF A) AND CHASE
HAVE RECENTLY TOLD DEPARTMENT OF COMMERCE OFFICIALS THAT
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THEIR CONSIDERATION OF FINANCING OF EXPLORATION PHASE OF

YAKUTSK LNG IS CONSIDERABLY LESS ADVANCED THAN INDICATED REFTELS. BOTH BANKS HAVE EXPRESSED THEIR WILLINGNESS TO DISCUSS PROJECT FINANCING WITH US COMPANIES AND SOVIETS. B OF A OFFICIALS HAVE NOT DISCUSSED PROJECT FINANCING WITH US COMPANIES BUT FINANCING MAY HAVE BEEN MENTIONED IN PASSING AS POSSIBLE USE FOR 500 MILLION DOLLARS LINE OFFERED TO SOVIETS. CHASE OFFICIALS HAVE BEEN ADVISING EL PASO ON PROJECT FOR LONG TIME BUT HAVE NEVER SAID THEY WOULD FINANCE PROJECT.

2. USG POSITION CONTINUES TO BE ONE OF QUOTE NO OBJECTION END QUOTE TO PRIVATE FINANCING FOR AND PARTICIPATION OF US COMPANIES IN YAKUTSK EXPLORATION PHASE. WE WILL CONTINUE TO EMPHASIZE TO ALL PARTIES THAT THIS POSITION DOES NOT IMPLY USG WILLINGNESS TO HELP FINANCE DEVELOPMENT STAGE OR APPROVE IMPORTS OF YAKUTSK LNG INTO US. DEPARTMENT HAS TOLD JAPANESE EMBASSY HERE THAT THEY CAN CONSIDER ABOVE A FORMAL STATEMENT OF POSITION.

3. IN CONVERSATION WITH LOCAL JAPANESE EMBASSY OFFICIALS MAY 5, TREASURY UNDERSECRETARY BENNETT SUGGESTED NEXT STEP APPEARED TO BE FOR APPROPRIATE SOVIET OFFICIALS TO BEGIN DISCUSSION OF POSSIBLE CREDITS WITH US PRIVATE BANKS. KISSINGER

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To: MOSCOW TOKYO
Type: TE
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